



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

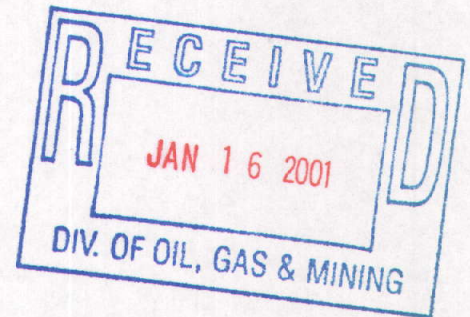
Michael O. Leavitt
Governor

David T. Terry
Director

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801-355-0922 (Fax)
<http://www.trustlands.com>

5/003/017

January 12, 2001



William L. Bown
842 West 400 No.
West Bountiful, UT 84087

RE: Cancellation of ML 45410-BSLS
DOGM Permit # S/003/017

T11N, R6W, SLB&M

Section 36: W2SE4

Box Elder Co.

80.00 acres

Dear Mr. Bown,

On December 13, 2000, the Director cancelled ML 45410-BSLS for Lessee's breach of Article XII of the lease, failure to post bond. Lessee no longer has any right to enter the leased lands to mine or extract the leased substances.

The lands mined under ML 45410-BSLS must immediately be reclaimed in accordance with requirements of the Division of Oil, Gas & Mining. Reclamation must include returning to the leased premises all leased substances in stockpiles or processing areas upon which royalties have not been paid.

Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Lynn Kunzler